I2C /

Dp. F. IX-4

1926-7

File No. 39-26

Previous References (IHC)

IHC 258-14 (1-2)

" 118-17 (27-28, 30 32-35 39-48

Later References " 207-21 (2-3) 51.52)

Serial Nos. 1-8.

PRESERVED

General and Revenue Secretariat.

Serial Nos. Three

35

Part B for safety

SUBJECT

Manufacture of Rayon pulp out of the raw materials available in state Forests

REPLY

(To be written on this margin.)

Fin 5805

Office of the Dewan of Mysore.

NOTE.

Dated.....22nd May.....192 6

Chief Secretary to Government,
with compliments.

Papers relating to the Bamboo Pulp Scheme may kindly be put up for reference with a full note. This question requires to be investigated further

22/5.

2 Send D. 4 printed collections bearing on the subject are put up.

3 The undertaking formed part of the work of Mr. M. Rama Rao who was appointed Spl. Officer to deal with forest-industry in 1916

General and Revenue Secretariat | File No. | of 192 .

Serial No.

DEWAN'S OFFICE.
Received on
5 JUL. 1926
No. 68

4 The recommendations of the I.T.C. committee are contained in files ~~Rev~~ I.T.C. 118-17-47. in regard to paper pulp industry.

5 The programme ~~for~~ ~~fr~~ drawn up by Mr Rama Rao in regard to his future work is contained in I.T.C. file 25~~8~~-19-2. The special duty of Mr Rama Rao terminated in Jany 1920.

The papers under I.T.C. Secy's file which this may be transferred to Mr. S.N. are at present in 3 days.

6 Please trace out the previous history of this case.

28/5/26

7 Vide separate note attached

4/6/26

Dewan's Office
Received on
27. JUN. 1926
No. 9405

570 9-6

8

Please put this file up again in Bangalore.

27/6

OFFICE OF THE SECOND MEMBER OF COUNCIL.
9 JULY 1926
No. 156

NOTE—Contn. Sheet

10 Secy We may obtain the views of the Govt and may then be put up again.

9/7/26

2/6/26

If a meeting of the Committee is considered necessary, it may be arranged.

8/6/26

WD 01264—GPB—40,000—17-12-25
App. F. III—2]

General and Revenue Secretariat | Dx File No. 31 of 192 6.

Serial No.

Sd/ 19/7. Subd with a draft for appl. (Ch Sec'y) WP 13/7

Please issue D/t (appd by Ch Sec'y) & resubmit. WP 4/7.

Secretary. E. B. Board
369 of 16. 7. 26.

State that the question of manufacturing paper pulp out of raw materials available in the state forests has been engaging the attention of the Board for some time past & we request him to forward the final views of the Board on the question.

Resubmitted for orders
Sd/ 19/7. Subd for perusal after issue. (Refer Para 9. above).
Dewan) WP 27/7

DEWAN'S OFFICE.
22. JUL. 1926
Reg. No. 483

Jm 22/7

GEN. & REV. SECRETARIAT
23 JUL 1926
INDUSTRIES & COMMERCE BRANCH.

A 24/7/26

From the D. of Dx. & 908C of 11.3.27
Fds. copy of his letter to Mr. William Raitt, Cellulose Expert of the Forest Research Institute, Dehra Dun & states that he would address Govt. & the BD. of Dx on the subject of the manufacture of paper pulp from bamboo after hearing from Mr. Raitt.

9627/19/3

Subd for perusal. Further report from the Dx will be submitted.
Jint Sy) WP 19/3

Yes
163. Jint Sy
INDUSTRIES BRANCH

NOTE—Contn. Sheet

Subd 10.5.27.

21/5/27 Lee 21/5/27 WP 21/5

WD 01264—GPB—40,000—17-12-26

General and Revenue Secretariat

File No. 31 of 1926.

Serial No.

3

From the Dir. of Ft.

F. 1246/c & 26.5.27

Adv. a note on ~~paper~~ manufacture of paper & states for the reasons assigned that it is premature for us in Mysore to think of starting a paper factory at present & suggests that the Forest Dept. may be requested to collect accurate data as to the cost of extraction & transport of bamboo to suitable centres in the State.

Submitted for orders (Secretary Member)

Thakur
2.6.27

NOTE—Contn. Sheet

5

REPLY

(To be written on this margin.)

(1 C) **Office of the Dewan of Mysore.**

Spl. memo No. 285.

NOTE.

Dated.....31st May.....*1927*

DEWAN'S OFFICE
Received on
6 JUN. 1927
Reg No. 9679

I shall be glad to have a note on the possibilities of manufacturing paper pulp (from bamboo etc.,) in the State for Export. The Director of Industries and Commerce may be consulted. The question of preparing bamboo pulp was, I think, investigated some years ago.

Dm

Dewan.

The Development Secretary to Government,
with compliments.

C.S. & REV. SEC. 8183 DW 8 Dec 9FC
DEVELOPMENT BRANCH

WP 1/6

Kind refce is invited to the letter of 26th May of the Dirs. of Ie forwarding a note on manufacture of paper & stating that "it is impossible to think of successfully establishing a factory for the manufacture of paper pulp in Mysore" and that "it is premature for us in Mysore to think of starting a paperfactory at the present time."

Submt for orders.

Seen by Dewan.

Papers may be recded

Thks.

6/9/27

BRANCH RECORD

Seen D)

Dewan)

As Secretary to the Economic Conference and Director of Industries and Commerce I have studied this question very carefully.

The minimum cost required for starting a paper pulp factory comes to nearly Rs.50 lakhs. There is very little likelihood of India being able to export the pulp and finding a foreign market for it. It is therefore very necessary to use it in India itself and if a paper pulp factory is started we have to undertake also &&&& &&&&&&&&&& paper manufacture in connection therewith to utilize the best part of the pulp. Though bamboo makes good paper pulp owing to the following difficulties no factory for manufacturing paper pulp has so far been working satisfactorily in India. The cost of transporting bamboo is very heavy, especially when there are no water facilities and where a heavy freight has to be paid, the price of raw material makes it very difficult to work the industry with profit.

I have seen some of the paper factories both in America and Canada and they are all situated close to the forests containing woods used for making paper pulp. In places like Burma, where bamboo can be floated down the river transport charges may be reduced, but even here investigations have not proved quite favourable. It has been estimated that it would cost about Rs.20 per ton of bamboo delivered at Bhadravati including felling and other charges. This rate is likely to prove very heavy in view

of the fact that the material is new and the manufacturing charges in the case of any new material in the initial stages are always high.

The second difficulty is the process to be employed in manufacturing paper pulp The two processes usually employed for manuafacturing paper pulp are either the sulphide or the soda process and neither of these has been found quite satisfactory in the case of bamboo.

Government employed some ten years ago an Expert by name one Mr. William Raitt to report upon the paper possibilities in Mysore. This gentleman has been carrying on investigation for a long period and he claims to have solved the process and devised the proper type of machinery -- the process used by him being a modification of the soda process. Until the results of his experiments are tried on a commercial scale, it is extremely difficult to say whether he has satisfactorily solved the process. In fact there are many competent persons who have no faith in his report.

Messrs. Andrew Yule & Co have been trying another process with the use of magnasite near Calcutta. I have not been able to visit this concern but from information received I understand that this concern is not working satisfactorily,--one of the main difficulties being the high transport charges for bamboos which have to come all the way from Burma

The Government of Assam and certain other Provinces have recently announced that they are prepared to offer substantial

concessions for starting paper factories and invited applications.

The question as to the manner in which the manufacture of paper pulp could be developed in this country was discussed sometime ago before the Industries and Commerce Board. It is not desirable to start this as an entirely Government scheme. Both the Director of Industries & Commerce and the Conservator of Forests were of opinion that it would not be possible to attract capital to this industry unless Government were prepared to guarantee the dividends for some time and it was agreed that in view of the importance of this industry some concessions may be given. The Secretary of the Indus & Commerce Board was asked to prepare a sort of draft prospectus containing full information regarding the supply of raw material, cost at which it could be obtained and the prospects of the industry and also stating that if any Company comes forward to start the concern the question of granting some suitable concession either in the way of guaranteeing dividends for a certain period or some other way that may be considered suitable would be considered.

The Industries and Commerce Board may be asked to state in what stage the preparation of the information required to attract capital is. Apparently the Secretary has taken no further action as no reference has been made to Government.

We may announce that sufficient supplies of bamboos are available in the forests through which the tram-lines of the Bhadravati Iron Works traverse and that Government will be prepared to allow bamboos to be taken free of seigniorage for a period of ten years. If any Company is started in which local capital is invested to a substantial extent the question of guaranteeing dividends may also be considered.

4/6/26

WD 01229—GPB—37,500—1-9-26

Serial No.

From The Secretary Board of Industries + Commerce

Letter No 339 dated the 4th Septr 1926.

States that the question regarding the manufacture of paper-pulp had been referred to the department of Industries + Commerce for investigation + report that the report of the Director of Ind.c. is awaited.

Submitted for perusal. The final report will if approved be awaited. Reminder received from govt. is also placed in the file. may be awaited.

Sec'y E.C.)

14/10.

15/10

18.10.26

18/10

This will, if approved, be ~~directed to the~~ transferred to the Ind.c. Section for being linked with the main file. (Secty. file).

2/11.

The main file is linked hereto

8/11

No. 23.

SUBJECT ... .

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.....

Diary No. of letter replied to.....

File No.

Serial No.

R. A.
L. C.
E. C.

( )

No. 288/Ind

192

To

Date of issue 24-7-26.

The Secretary, Board of I & C.

Sir,

I have the honor to forward ~~herewith~~ (In forwarding herewith) Copy of letter No. IC.369/Ire. 31-26-1 dated 16-7-1926 from the Chief Secretary to Govt. regarding the ~~question of~~ manufacture of paper pulp in the State out of the raw materials available in the forests, & the ~~I to request~~ (I have the honor to request) you to kindly inform this office in what stage the matter now stands and to ~~kindly~~ forward very early the final Views of your Board on the ~~question~~ subject.

I have &c.

Secretary E.C.

WD 2298—GPB—5,000—20-8-21

20/7/26

20.7.26

No. 23.

SUBJECT ....

....

....

Diary No. of letter replied to.....

R. A.
L. C.
E. C.

(-)

192

Date of issue 28 · 8 - 1926.

File No.

Serial No.

No. 1228

To

The Secretary. Board of Ind.

Sir,

I have the honor to invite reference to this office letter No. 288 Dated 24-7-1926 Calling for the opinion of your Board regarding the manufacture of paper pulp in the State out of the raw materials available in the forests and to request you to kindly ~~forward~~ state at what stage the matter is ~~The Views of the Board Very early~~ The Govt. ~~expect~~ have called for a reply before the 2nd prox.

I have etc.

Sd/-
for Secy. to G.
BNW,
27.9.26.

27.9.26

over.

420
OFFICE OF THE SECRETARY
29. SEP. 1926
REPRESENTATIVE ASSEMBLY.

Board of Industries & Commerce,

No. 339

Bangalore, dated 29th September *192* 6.

OFFICE OF THE SECRETARY
30. SEP. 1926
REPRESENTATIVE ASSEMBLY,
LEGISLATIVE COUNCIL &
BANGALORE CONFERENCE

From

R. ANANTASUBRAMANYAM, Esq., B.A., B.L.,
SECRETARY, BOARD OF INDUSTRIES AND COMMERCE.

To

R. Ranga Rao, Esq, B.A., B.L.,

Secretary, Economic Conference.

Sir,

With reference to your letter No. 1228 dated the 28th instant regarding the manufacture of paper pulp, I am directed to state that the question has been referred to the Department of Industries and Commerce for investigation and report.

The subject was reconsidered by the Board at their meeting held on the 20th August 1926 and the Board passed the following resolution a copy of which was duly forwarded to the Director of Industries and Commerce.

" Resolved that the subject which is also included in the programme of the Department of Industries and Commerce might be investigated by that Department, the question of provision for additional funds, if any, required for further investigation being considered later on."

The report of the Director of Industries and Commerce is awaited.

I have the honour to be,

Sir,

Your most obedient servant,

Secretary.

APPENDIX VI. Gl.]

SUBJECT.....

.....

.....

Section I & C

File No. 31 - 26

Serial No. 1

No. 2 & 369 & 16/11/1926

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the 192

To

The Secretary, E. D. B.

Date of issue 16/11/1926

Sir,

Signed by Sri Vedavyasachary

The Dye Boards had some time back, under their consideration the question of manufacture of Aniline dyes in the State out of the raw materials available in the forests. It is understood that the Board was requested to furnish a sort of draft prospectus containing full information regarding the supply of raw material, cost at which it could be obtained and the prospects of the industry and also stating that, if any company comes forward to start the concern the question

over.

List of enclosures.....

Copied by.....

Examined by .....

a

Of granting some suitable Concession

would be considered. Can directly to

request you the favour as to State

in what stage the matter now is and to forward a final

Copy of Views of the Govt. Board on the question.

Thanks

Yours

W.P.
12/7

Bh. Dey
16/7

St
12/7

To

D61

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Le 369 / Dec 87-26-1

Dated, Bangalore, 16/7/-1926.

From P. G. D'Souza, Esq., B.A., B.L.,

Chief Secretary to the Government of His Highness the Maharaja of Mysore

~~Department~~

To

R. Ranga Rao, Esq., B.A., B.L.,

Secretary, Economic Development Board.

Sir,

The Industries and Commerce Board had some time back, under their consideration the question of manufacture of paper pulp in the State out of the raw materials available in the forests. It is understood that the Board was requested to prepare a sort of draft prospectus containing full information regarding the supply of raw materials, cost at which it could be obtained and the prospects of the industry and also stating that, should any company comes forward to start the concern, the question of granting some suitable concession would be considered. I am directed to request you to be so good as to state in what stage the matter now is and to forward to Government the final views of the Industries and Commerce Board on the question.

I have the honour to be,

Sir,

Your most obedient servant,

Chief Secretary to Government.

17/7.

Submitted with a draft forwarding 2nd Copy of the above to the Secretary Board of Ind & calling for the views of the Board.

ACH.

20.7.26.

20/7.

20.7.26

20/7.

Sus A

Issued No 288/Rel Dated 24.7.26

APP. F. VI. Gl.]

SUBJECT.....

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Section Ire

File No. 31-26.

Serial No.

No. D. 5101 & 4/C/27

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 4-1-27

Signed by N. Rachaiah

List of enclosures.....

Copied by.....

Examined by.....

To

The Secretary, Board of Ire,

Sir,

With reference to your letter no. 339 & 29.9.26 addressed to the Secy, Economic Conference stating that a copy of the resolution of the Board of Ire on the question of manufacturing paper pulp out of raw material available in the State Forests has been forwarded to the Director Ire for opinion I am directed to enquire whether the opinion of the Director has since been received in your & and considered by the Board.

over

WD 01265—GPB—31,000— 24-12-25

P. T.

5

If in the opinion of the Board
may kindly be communicated to
Govt very early

I have the

MW 20/12
honour to say to Govt

No. 5502 dt 16/12/26

Copy of the above is forwarded
with compliment to the Director, etc
in continuation of the D.O. letter
no. D.3465 dt 18.11.26 for information
and further action if any is taken.

Yours
B. O.

16/12

MW 20/12
for Secy to Govt
Dev. Deptt

[APP. F. VI. Gl.]

6

SUBJECT.....

.....

.....

Section I & C

File No. 31 – 26

Serial No.

No. D. 34665 of 18/11/26

Enclosure

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 16.11.26

Signed by Mr V. Chari

(copy of which has been enclosed for refee)

draft letter to Director submitted

16/11

Issue

16/11

List of enclosures.....

Copied by.....

Examined by.....

To

.....

Dear Sir,

I am desired to invite attention to letter no 339/9 29.9.26 from the Secy to the Board of I & C to the address of the Secy: Economic Conference, stating that a copy of the resolution of the Board of I & C on the question of manufacturing paper pulp out of raw materials available in the State forests has been forwarded to you for opinion &c and to request that your opinion in the matter may kindly be furnished to the Board early ~~the fact of your~~

A copy of your ever letter may be sent to Govt, for inform^n

P.T.O.

WD 01265—GPB—31,000—24-12-25

having done so / been of service
to you for information

Yours sincerely.

MP
16/11

To

Director, &c.

8

39614
OFFICE OF THE SECOND MEMBER OF COUNCIL
13 JAN. 1927
No. 4768

Board of Industries & Commerce,

No. 616. *Bangalore, dated* 5th January 1927.

4068
DEVELOPMENT BRANCH

From H. K. Ramaiengar, Esq, M.A.(Hons),
~~RxxANANTASUBRAMANYAMxxEsqxxB.A.xxB.L.~~,
SECRETARY, BOARD OF INDUSTRIES AND COMMERCE (In charge)
BANGALORE.

GEN. & REV. SECTT. 6 JAN. 1927 G. R. SECTION.

To R. Ranganatha Rao Saheb, Esq, B.A., B.L.,
Secretary to Government, Development Departments.

Ind 31-26-RR

With reference to your letter No. D. 5101/ I & C 31-26 dated 4th January 1927, enquiring if the opinion of the Director of Industries and Commerce re. the manufacture of paper pulp out of the raw materials available in the State Forests has since been received, I am directed to state that the opinion of the Director of Industries and Commerce has not yet been received and his report is awaited for being placed before the Board for consideration. He has been reminded to forward the same at a very early date.

I have the honour to be,
Sir,
Your most obedient servant,
H. K. Ramiengar.
Secretary (In charge).

GEN. & REV. SECRETARIAT 15 JAN. 1927 DEVELOPMENT BRANCH.

APP. F. VI. Gl.]

9

SUBJECT.....

.....

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Section 9 I C

File No. 31—26

Serial No.

No. D. 5950 dt 21/1/27

Enclosure

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

To

The Director, I.T.C.

Sir,

In ~~acknowledging reference to this~~ continuation of this office memo no. D. 5702 dt 4.1.27 I am directed to forward herewith a copy of letter no 616 dt 5.1.27 received from the Secy, Board of I.T.C. re: the question of manufacturing paper pulp out of raw materials available in the State Forests and to request that the Board may kindly be furnished with your opinion in the matter at a very early date and the fact of your

Date of issue 21.1.27

Signed by M V Rao

List of enclosures.....

Copied by.....

Examined by.....

over

10

intimated
having done so ~~communicated~~ to
Govt for information.

I have k.

WD 24/1

for dec secy to govt

WD. 5991 5/27/1/17
Copy to the Secy
Gtc. Bd.

WD
24/1

11

[APP. F. VI. Gl.]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section Ite

File No. 31-26

Serial No.

No. D. 7138 & 25/2/27

To

.....

General and Revenue Secretariat

( )

the 192

Dear Sir,

In inviting reference to the correspondence ending with the office ~~your~~ letter no. X 5990.0 of 27.1.27 re: the manufacture of paper pulp out of raw material available in the State forests I am desired to enquire whether your opinion in the matter has since been furnished to the Board of Ite

yours sincerely.

WG
24/2

To

Director of Ite

Date of issue 25.2.27

Signed by [illegible] Secretary

Reminder sent for appl.

RS. 21/2

Issue
WG
24/2

List of enclosures.....

Copied by.....

Examined by.....

over

Tels.—"Induscom." *Codes used*—A. B. C, 5th Edn; Bentleys.

GOVERNMENT OF MYSORE.

No: G. 908. Department of Industries and Commerce

MR. C. RANGANATHA RAO SAHIB, B.A., B.L.,

DIRECTOR.

OFFICE OF THE DIRECTOR,

Bangalore, Dated the 10th March *192*7.

Dear Sir,

With reference to your D.O.letter No: D. 7138 dated 25-2-1927, whether my opinion in regard to the manufacture of Paper Pulp from raw materials available in the State Forests has been forwarded to the Board of Industries and Commerce, I enclose for submission to Government copy of my letter to Mr. Raitt, the Cellulose Expert of the Government of India, on the subject. I shall address the Board of Industries and Commerce and also Government on hearing from Mr. Raitt in reply to my letter.

Yours sincerely,

C Ranganatha Rao Sahib

N. Rama Rao, Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Development Departments, Bangalore.

BV.

Letter No: M. 2960/C. dated 9th March 1927, from Mr. C. Ranganatha Rao Sahib, B.A., B.L., Offg: Director of Industries and Commerce in Mysore, Bangalore, to Mr. William Raitt, F.C.S., Cellulose Expert attached to the Forest Research Institute, Dehra Dun.

=======

I am writing this purely informal letter to renew an old acquaintanceship which was formed when you came to Mysore to conduct some investigation in regard to the feasibility of setting up a plant for the manufacture of paper pulp from bamboo in the State. I was Secretary to the Industries and Commerce Committee at the time and you have been good enough to refer to the assistance I gave you in collecting information for your report. I have quite recently been appointed as Director of Industries and Commerce and am naturally anxious to know if your further investigations in regard to paper manufacture from bamboos, since you wrote the report for the Mysore Government nearly 10 years ago, have either confirmed or changed your views about the prospects of a pulp plant in the Mysore State.

Your recommendations in your report were that the subject may be taken up after the War and that under the conditions existing foreseeable at the time, a pulp factory with an annual output of 10,000 tons of pulp could be set up for an investment of 19 lakhs on fixed capital and may yield a profit of Rupees Six Lakhs per annum. I daresay a good deal of accurate information is now available in regard to the suitability and yield of pulp on operations conducted on a factory scale from the bamboos available in our State namely Dendrocalamns Strictus and Arundinacea and that you can more definitely estimate the cost of the plant, the buildings etc., for a commercial-unit. We have also some further information regarding the possible cost of local labour, lime, and fuel acquired in running the Iron Works at Bhadravath which is just 9 miles from Shimoga. To summarise these briefly, I may say that the labour charges are likely to amount to Rs1-0-0 per head as against Rs0-8-0 assumed in your report, that three shifts of 8 hours each are necessary in the case of a factory running continuously for 24 hours and that the cost of fuel

P.T.O.

fuel is nearer Rs 7 and even Rs 8 rather than Rs5-8-0 allowed for in your report. Further some local sources of pure calcium lime have since been found and the estimate of cost per ton may be taken at about Rs 25/= per ton.

I have seen your letter to the Secretary, Industries and Commerce Committee No:1/1917-1 dated 24-10-1924 inquiring if the prospects of opening a harbour at Bhatkal have advanced any further and whether the factory can be put down at Gersappa to obtain cheap electrical energy. I may state in reply that the idea of developing Bhatkal as a Seaport for Mysore has had to be postponed and no Hydro Electric installation can be contemplated at Gersappa for many years to come. Mr. Forbes, our Chief Electrical Engineer recommends Nanjangud as a suitable site for a Paper Pulp Factory. This place is about 18 miles to the South of Mysore to which it is connected by railway and stands on a river and what is more, is soon likely to obtain electric energy from Mysore. The 8000 HP. you require can possibly be obtained at about .5 of anna a unit. I doubt if the rate is low enough to permit of the utilisations of electric energy for steam ~~xxx~~ raising.

I believe I have given you all local information necessary for you to roughly indicate how the cost of manufacture would compare with the estimate adopted in your report. I have not touched on the subject of the cost of the main raw material i.e., bamboo either at Shimoga or Nanjangud. I shall address you further on hearing from the Conservator of Forests if there is any change in cost as compared with that adopted in your report i.e., Rs9-4-0 per ton. I shall be greatly obliged if you can favour me with your views roughly as to what the prospects may be for a pulp factory anywhere in the Mysore State, what the unit plant if erected should be, the capital required and how you would now estimate its commercial possibilities. After hearing from you, I shall place your views before the Mysore Government and if the prospects are fairly satisfactory, I have no

15

no doubt they will direct me to go into the matter further. A copy of your report is enclosed for your reference.

Trusting to hear from you soon.

"Copy"

11.3.27

OFFG:DIRECTOR.

BV-3) 10.3.27.

TELEGRAPHIC ADDRESS: "INDUSCOM"

46

In reply please refer to
No. G. 1246-C

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

THE COUNCIL
25 MAY 1927
No. 7116.

OFFICE OF THE DIRECTOR,

Dated Bangalore, the 26th May 1927.

FROM

C. RANGANATHA RAO SAHIB, ESQ., B.A., B.L.,
The Director of Industries and Commerce in Mysore,
(Bangalore India.)

GEN. & REV. SECRETARIAT
27 MAY 1927
To
DEVELOPMENT BRANCH.

9 H 31-26-3.

The Secretary to the Government of Mysore,
Development Departments,
Bangalore.

SIR,

With reference to your letter No. D. 9967 of the 13th May 27 I have the honor to invite reference to a note submitted to the - Standing Committee of the Economic Conference, copy enclosed, on the present position of the Paper Industry in India. The prospects of developing the Paper manufacturing Industry in India was fully consi-dered by the Tariff Board two years ago. They recommend that finan-cial assistance may be given to the two concerns - one on the - - Godaveri and the other on the Hooghli - manufacturing paper out of Bamboo so as to enable them to develop their operations as the - - Board were of opinion that the future of the Paper Industry in India depended entirely on the utilisation of Bamboo for this purpose. I beg to submit that both these concerns have not yet proved commer-cially successful and it is premature for us in Mysore to think of starting a paper factory at the present time. As the Tariff Board are of opinion that the Factory at Rajahmundry cannot successfully make paper pulp, for sale to the paper factories on the Hooghli, it is impossible to think of successfully establishing a factory for the manufacture of the intermediate product - paper pulp-in Mysore. If at all, the factory has to take up Paper manufacture and endeavour to supply the markets in South India. As the time for this is not yet opportune, the Forest Department may be requested to collect as accurate a data as possible in regard to the cost of extraction and transport of bamboo to the most suitable centres in the State.

17

Statistics in regard to the cost of collection and supply of firewood will also be useful as at least two tons of firewood will be required for every ton of bamboo dealt with.

I have the honor to be,
Sir,
Your most obedient servant,

C Ranganatha Rao Sahib
Director.

USC)

NOTE ON PAPER MANUFACTURE.

In a note prepared for the Industries and Commerce Committee in March 1917 Mr. Raitt estimated that a paper pulp factory with an annual output of 10,000 tons of bamboo pulp could be erected for an investment of 19 lakhs of rupees on fixed capital and that it would yield a profit of six lakhs of rupees per annum He figured that the cost of production of bamboo pulp would amount to Rs.110/- per ton, and that the pulp could be sold at a price yielding Rs.170/- per ton Ex. Factory. He however recommended that the scheme may be considered after the war was over. I enclose for the information of the Standing Committee copy of Mr. Raitt's letter dated 15th March 1927 indicating the differences in the position between ten years ago and now. Mr. Raitt estimates that the probable cost of production per ton of bamboo pulp at present may amount to Rs.130/-, which is the actual figure estimated for a pulp factory at Cuttack in a bulletin to which reference is made in his letter. The following statement extracted from the bulletin gives particulars of the costs per ton of pulp for 5,000 tons plant as well as for a plant capable of manufacturing 10,000 tons per annum.

	5,000 tons plant.		10,000 tons plant.	
	Rs.		Rs.	
Capital cost:				
Pulp making plant.	5,40,000/-		7,60,000/-	
Soda recovery plant.	2,00,000/-		2,60,000/-	
Steam & Power plant.	2,90,000/-		3,25,000/-	
Freight, erection.	3,50,000/-		4,50,000/-	
Buildings, etc.	5,20,000/-		7,05,000/-	
	19,00,000/-		25,00,000/-	
Production cost per ton of pulp:				
Bamboo (2¼ tons) ...	36/-		38/ 4	
Chemicals. ..	23/-		23/-	
Fuel. ..	12/12		12/12	Rs.
Labour and Superintendence	21/-	Rs.144/-	16/-	131/-
Running repairs. ..	5/-		5/-	
Depreciation. ..	25/4		15/-	
10% for contingencies.	13/-		12/-	
Sundries	10/-		9/-	

The above costs are based on the results obtained in the Dehra Dun Factory.

The cost of bamboo per ton is estimated at Rs.16/-. In the report prepared by Mr. Raitt ten years ago the cost of bamboo in Mysore was assumed at Rs.9-4-0 per ton on the basis of the information furnished by the officers of the Department. I have requested the Conservator of Forests to let me know what the present cost of bamboo would be. In case the cost Ex. Factory is less than Rs.16/- the production cost of pulp would be reduced to the corresponding extent.

The imports of wood pulp into India for the last three years according to the Sea Borne Trade returns are given below.-

Year.	Quantity.	Value.
	tons.	Rs.
1924-25	10,046	22,07,132
1925-26	11,788	25,77,635
1926-27	15,359	34,89,534

The returns corroborate Mr. Raitt's Statement that the present price of wood pulp in Calcutta is about Rs.217-8-0 per ton. A sum of Rs.27-8-0 may be taken to represent the freight charges from the Factory site in Mysore to Calcutta; and the net return to the Factory estimated at Rs.190/- per ton giving a profit of Rs.60/-, the amount estimated ten years ago. However it should be noted that the total Indian consumption of wood pulp, although rising rapidly, is only 15,000 tons. It is hardly possible therefore to expect that the entire output of the Mysore Factory would be consumed in India. It is apparently for this reason that Mr. Raitt considers that the absence of a sea port near the mill to permit of the export of the product to foreign countries as a factor for consideration. He recommends instead the establishment of a paper mill producing 5,000 to 6,000 tons of paper from bamboo wood pulp, the capital of which is estimated at Rs.25 lakhs.

Mysore.
5th May 1927.

(Sd) C. Ranganatha Rao Sahib
Director.

"Copy"

Director.

Extract from letter dated 15th March 1927 from Mr. W. Raitt, F. Economist, Officer of the Forest Research Institute and College, Dehra Dun, to Mr. C. Ranganatha Rao Sahib, B.A., B.L., Director of Industries, Mysore.

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x x x We have made considerable progress in the last ten years and our former opinion is strongly confirmed that, in suitable localities, pulp or paper making from bamboo is a very promising industry. Briefly and in the rough I indicate as follows the difference in the position between ten years ago and now.

(a) That the quantity is acceptable is proved by the working, for several years past, of a bamboo paper mill in Calcutta which has been producing 2500 tons of paper per annum and selling it without difficulty in the local market in competition with papers made from grass. This mill has not paid dividends as yet but it would be wrong to infer from that that the industry cannot be a profitable one. The reason is very plain viz., that the output is an unprofitable one. The overhead costs cannot be carried by a 2500 ton output and this is acknowledged by the proprietors in the fact that they are now doubling the plant, a strong proof that they have faith in the future. They have not actually lost money and have just been able to make ends meet. Another factor against them is that they put the mill in the wrong place. It ought to have been in or near their bamboo supply area. The result is that their raw material costs them Rs.45/- per ton. If you compare this with what yours would cost you will see that there is a profit in the difference, even with only 2500 tons of output.

(b) I send you our most recent report which deals with a project using your species. The local conditions are not comparable but you will see that those factors which are general such as chemicals have been reduced. Bamboo is more and yours will probably be more also. On the whole, I think it is probable that both capital and producing cost for you now at the mill would be about what is arrived at in this report that is round about Rs.130/- for unbleached pulp. On the other hand pulp values have gone up as I anticipated ten years ago. In your case I took a value of

Rs.200/- at Calcutta. It is now Rs.217/8/- and still slowly rising. Your capitalisation, exclusive of working funds, would probably be now in the neighbourhood of Rs.25,00,000/-. Your one factor that I do not feel easy about is your absence of a port near the mill. In the case of the Cuttack project the conditions are similar but do not matter because this pulp mill has a market in the Calcutta paper mills at a rail cost of only Rs.12/-. In your case a foreign export would have to be contemplated. I have within the last few years been exploring projects in Burma where all transport bamboo etc., into the mill and pulp out, would be by water. In competition these undoubtedly would have a great advantage over an inland proposition dependent upon rail transport.

Is it possible for you to contemplate a paper mill? This would clear up many doubtful points. It would of course have to contemplate local consumption (Mysore and South India generally). The selling value in this case would be about Rs.500/- per ton instead of say Rs.200/- at mill for pulp, and much could oe done with the difference in covering extra cost of paper making and it would wipe out difficulties of export costs as your market would be all around you. I think that is a position worth exploring. A 5000 to 6000 ton unit would be enough for paper and its capitalisation would be approximately the same as a 10000 tons pulp mill, say, 25 lakhs.

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